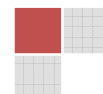


## POST TALK DISCUSSION

(READING : 0:00)

RAGHUNANDAN: ... comment on what is happening in China. India and China both being posited as the countries of tomorrow.

AA: India is the only decisive victory the US has won. (repeat) India is the only decisive victory the United States has won during this period.. I am quite serious about it, I am not joking, I am not exaggerating. I may be exaggerating, but that is not what I mean to do. It is the only victory that they have to show. This did not begin with Manmohan Singh, it started with the last years of Narismha Rao, and it has been incrementally going there and Talbert who held long secret discussions with Jaswanth Singh is quite right in writing in his book that if the BJP government had survived, the nuclear deal would have been signed much earlier and in a much more water down version and so on. But it is not just the nuclear deal.. I don't mean that on these issues, ahh the Congress is any better than.. ahh there is a –there is a kind of a consensus of the ruling class in India, which includes all sections of it including the regional bourgeois --- which represented the regional political parties. And one of the ahhh striking things about the huge, big, political parties, the regional ones is that they concede issues of foreign policies, of finance capital, of global trade entirely to the big party which leads the coalition, so long as the big party, whether it is the BJP or the Congress gives to the regional rulers what ever they are asking for in lieu of their support. How has this come about very briefly, we don't have the time, one. I would say through forty or fifty years of protectionism, the Indian state did in fact create a very powerful bourgeois zeal, India.. and a very big techno managerial class, one of the world's most sophisticated. So by the 1990s time had come, for this bourgeois --- to seek a junior partnership from the United States, from global capital, ahh because it was now strong enough not to need protection of the state, now it needed protection of the Multi National Capital, because for Multinational capital, it needed speculative finance, it needed markets, it needed to open up its own consumer markets to them it needed a partnership of that kind. And that particular class is in fact benefiting from new liberalism a great deal. There is no question about that. *to jis period main ek lakh karor pati aaye hain, usi period main ded lakh – according to the government – ded lakh kisanone khud kushi bi ki. Khud kushi bohut zyada ne ki hogi*, but that is the number being trotted around. So which also means a far greater inequality not only between the most polar classes, but also in the country side between the richest strata of the agro bourgeois and the rich peasantry on the one hand, that coalition versus the rest. So my sense is – the cri – it is in the country side that the crisis is deepening, and at the same time I believe that it is in the country side that the political vacuum is greatest, even greater than in the cities. That is ... what is India supposed to do? Very simple. Between Garcia on the coast of Africa and Okenawa at the other end of the south pacific US military presence is weak, in fact weakest anywhere in the world. This is the vacuum we are to fill alongside the United States and increasingly Israel. This triumvirate of countries is emerging as the heart of global reaction. Ahh that is one sort of answer that I could give you. Ahh China, the US survives on the largest of Chinese and Japanese banks. If those stopped investing in the US, the US financial system would collapse. China needs the US market, if the US market were to collapse, Chinese growth rates were to collapse. There are no two countries which are now so critically integrated with each other as the US and China. China is also the new rising power in the world. And the secret is very simple. It is productive capital, it is the only capitalist country that really produces – that is why it is called the workshop of the world and so on. From western economies, productive capital is shrinking and shrinking and shrinking so much that this crisis of imbalance between speculative capital and productive capital is haunting them every day and when the real crisis will come we don't know. It may be beginning already. Lets think it as – you have at the most two years after that you will need a different financial instrument, different than the dollar, I don't know I am not that good an economist. China is the only country where productive capital, most



capital is productive capital and it is productive both because it is the home market, expanding home market, and global trade. Now Indian, *main ne vo Philips ka kharida, ek chota sa sound system.. to us pe Chinese main kuch likha hua.. philps India*, I really did not get it, *main who dukaandhar se kaha key eh ab hum china main export karne lege ki kya.. to kenhe laga.. ji china main bana hua hain – isliye Chinese main likha hain.. ahhh* my sense is that not only absolute disparity between India and China, is increasing which is certainly true, it is also increasing in two or three different ways in which people don't understand. 47 – 49, India and China adopted completely opposite kinds of educational systems. India was top heavy, IIT, Schools of management, the higher you were in the educational scale, the more investment came there so you were soon producing a huge techno managerial intelligentsia that compared with the rest of the world, some of went abroad, some of it stayed in the country but that is where it was. While mass literacy – so you could draw the leaders of your industry, technology so on and so forth from this huge pool from what we in India quaintly call the middle classes, that is to say people who have money. Which is what – about 10 – 15% of the population. In China it was the opposite, they actually started by building an immense base of education at the base, which was combined with nutrition. This is the difference between China under a socialist system, Korea and Taiwan under a capitalist system. You start with mass literacy and mass good public health. You create an educated healthy citizenship, that can be the only basis for a transition into an industrial society. China took 40 years and they built a pyramid from here to there (--) and we built it like this – secondly China had three different budgets for education. There was the central budget, there was a regional government budget, and there was the district commune budget. If you combined the three budget, it came to 7 – 10 percent of what you might call the GNP. We gave roughly 2 percent or something and most of that 2 percent went to the top. So these completely opposite – have created in China a situation of which out of this mass well educated, basically healthy – you know there are big pockets of not very healthy and not very educated people – out of this at every level, you can generate people who are going to do modern science and technology. So the pool out of which the new technical scientific intelligentsia is coming in China is of a completely different order. So the great pride of Indian development of our higher institutions or all else languages is going bypassed very easily and very quickly, and I think irrevocable. Now this kind of capitalism that they are building, very remorseless kind of capitalism, in my view, that they are building – ahh – also creates the sort of disparities that the capitalism of this kind builds between regions, between classes among fraction of the peasants – there are right now about two hundred thousand Chinese who really don't know where to live, there are regions which now to the extent that China still has a very strong planning component which is the other great difference with India. Indian state has abdicated every possible social responsibility or any regulatory power over capital. It is the most new liberal country emerging in the world, or one of the most – you know. In China it is the opposite, even all of that foreign capital cannot come without state regulations. Etc. Now the upshot of that is that China now has a kind of surplus with which they can actually correct the immense disparities. So that when they put their mind to it, it took them some 30 – 35 years to put their mind to it, but once they put their mind to it, what they have done in Tibet for example as a region, you know Tibet now has more metallic road surface than in India, the Tibet autonomous region? They have that kind of surplus. Now the last party congress says they are going to do the same thing in the north western provinces so they actually can with the combination of a productive capital, and that kind of surplus they can if they wish – they have the capacity to address the very problems they have created for themselves. Whether or not they'll do it, I don't know but India is not a country to become ---

